



The President's Daily Brief

April 2, 1975

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~~*Top Secret*~~ 25X1

Exempt from general
declassification schedule of E.O. 11652
exemption category, 58(1)(2)(3)
declassified only on approval of
the Director of Central Intelligence

FOR THE PRESIDENT ONLY

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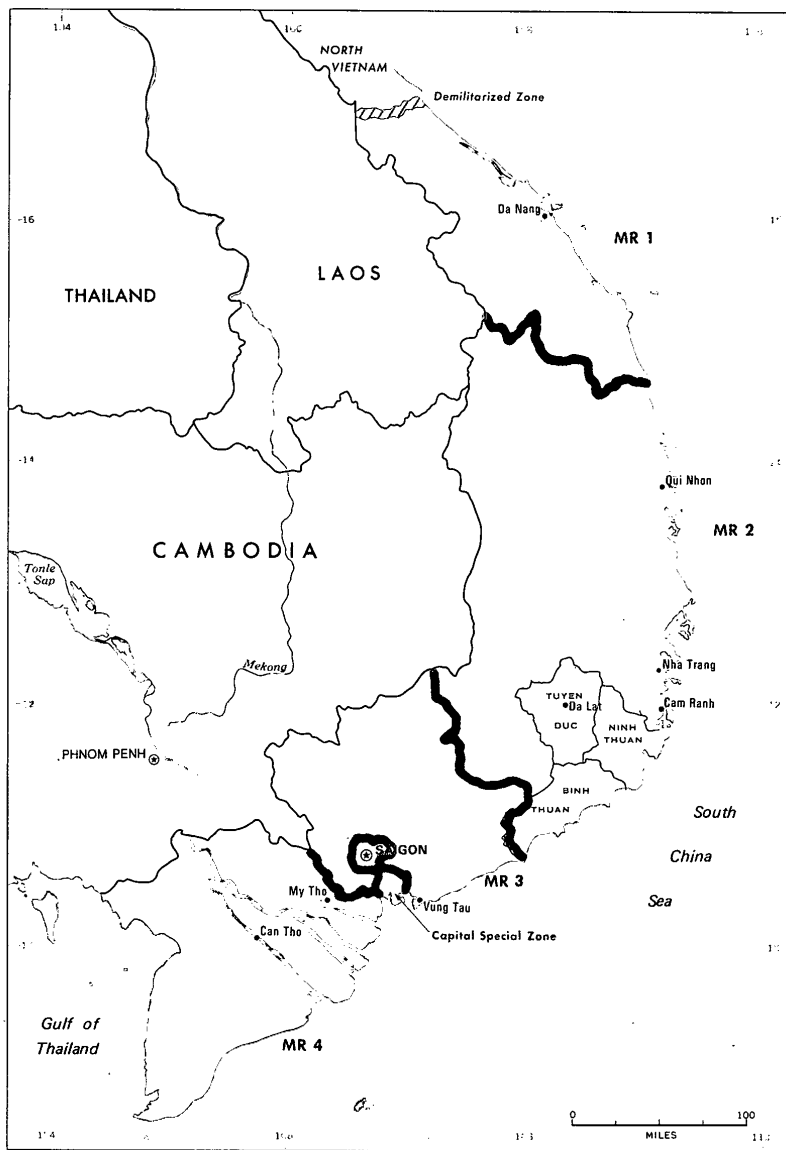
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SOUTH VIETNAM

Vietnamese communist forces now control virtually all of Military Region 2, including its southern provinces. Rumors of a major political change are rife in Saigon.

Since the loss of Qui Nhon and Nha Trang yesterday, the government has apparently abandoned the coastal provinces of Ninh Thuan and Binh Thuan. There are no South Vietnamese regulars in Tuyen Duc Province, including the resort city of Da Lat, and much of the population has fled.

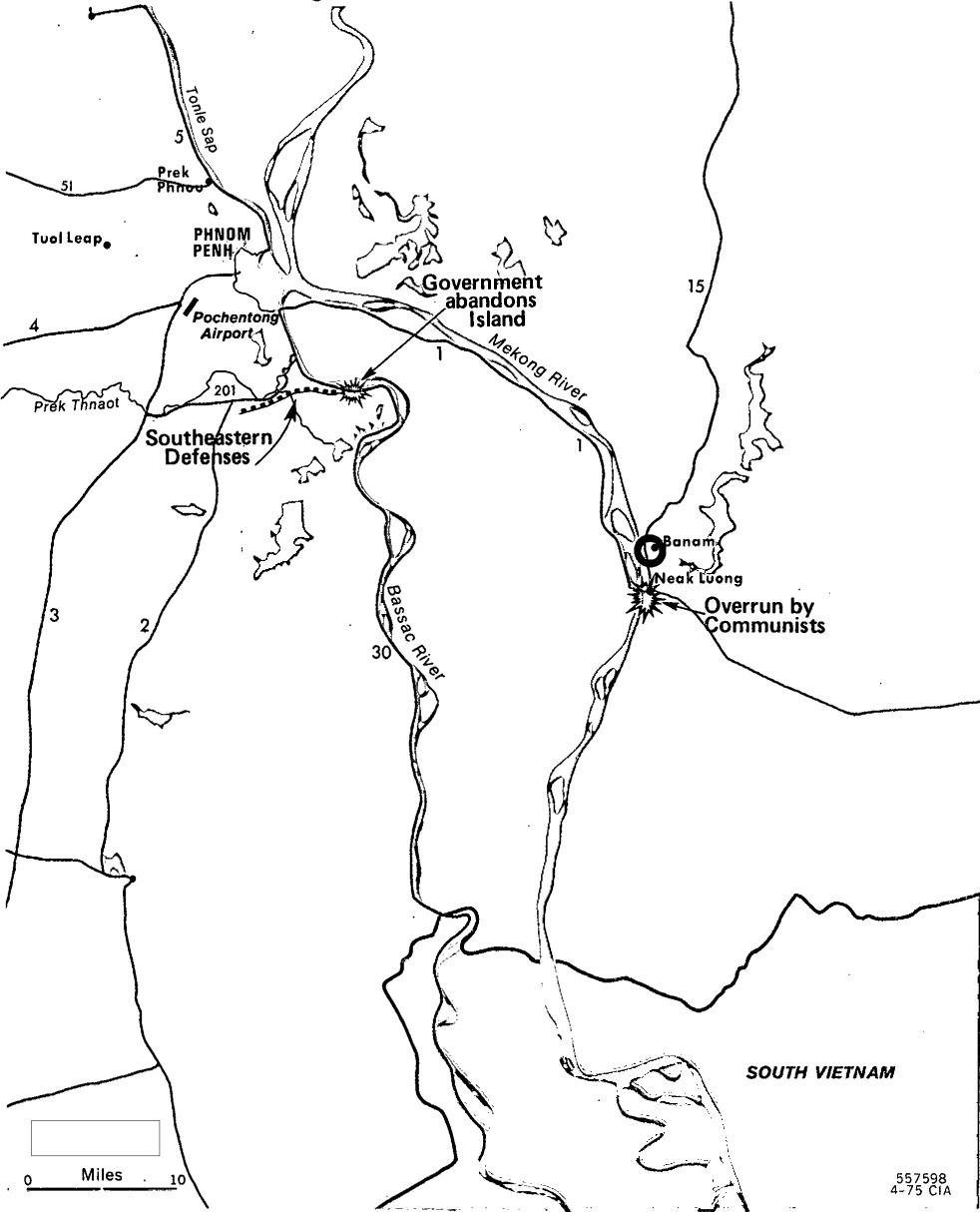
Unconfirmed reports indicate that Cam Ranh also has fallen. The fate of the civilian refugees recently taken to Cam Ranh is unclear following the movement on to Vung Tau of the approximately 9,000 marines just evacuated from Da Nang. These marine units are to be reorganized for deployment near Saigon by the end of next week. Efforts to refit and reorganize some 4,000 troops from the South Vietnamese 2nd Division, now heading for Military Region 3, are being slowed by the lack of replacement equipment.

In the delta provinces, the communists are giving new priority to cutting the major highways in order to block the movement of military supplies south from Saigon and foodstuffs north to the capital. This operation may have delayed planned attacks against Can Tho and My Tho cities. Nevertheless, some units of the communist 8th Division are in position to attack these major urban centers at any time.

Rumors of an imminent, major political change have begun to circulate in Saigon. [redacted] a group of generals has given President Thieu 48 hours to step down. Another claims that Prime Minister Khiem has handed in his resignation in protest over Thieu's handling of the war. Thieu has privately denied the latter and said he would not step down. Despite government efforts to spike such reports, it is likely that the rumors will increase as news of defeats continue to disturb the capital.

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Cambodia: Lower Mekong



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FOR THE PRESIDENT ONLY**CAMBODIA**

The Khmer communists have overrun the government enclave that included Neak Luong and nearby Banam, the last government holdings on the Mekong between Phnom Penh and the South Vietnamese border. The two neighboring towns were defended by over 4,000 troops. The loss is a major defeat.

After the communists have eliminated remaining pockets of resistance in the Neak Luong - Banam area, they will be able to redeploy toward Phnom Penh a substantial number of the 6,000 to 7,000 troops they now have along the lower Mekong.

An intercepted message of April 1 discloses that the communists are calling in units--at least four battalions so far--from northern provinces for use against Phnom Penh. The message indicates that the orders had come from the Khmer communist central committee, which earlier had been informed of President Lon Nol's departure.

If units from the north, and from outlying provinces in other areas of the country, begin moving immediately, it would take them at least two days to reach the Phnom Penh area. Preparations for combat might take several more days. It is clear from the intercepted message that the communists see Lon Nol's departure as a sign that the government is weak, and they are trying to make a greater effort to achieve military victory.

Inconclusive fighting continued on most other battlefronts around Phnom Penh, except along the Bassac River to the southeast, where government units abandoned positions on an island some four miles from the capital's outskirts. Communist reinforcements moved into this sector last week and government units have been gradually losing ground ever since. Communists forces yesterday fired over 30 rockets at Phnom Penh's Pochentong Airport, but again failed to affect airlift operations.

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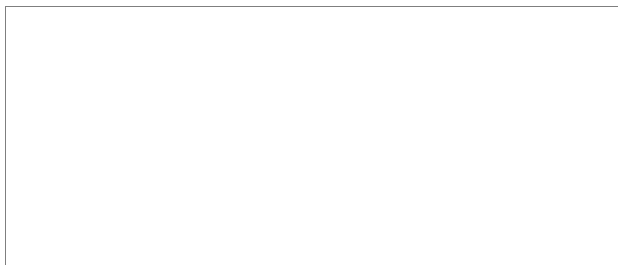
The Thai government is having second thoughts about continuing to permit the airlift of military supplies from Thailand to Cambodia.

Last week, after first coming out publicly against the flights, the Thais decided to look the other way and allow them to continue. Now, however, Foreign Minister Chatchai Chunhawan is reported to fear that a Cambodian collapse may be imminent and that ammunition sent to Cambodia might end up eventually being used against Thailand. Bangkok has no alternative, Chatchai said, but to seek accommodation with those in power in the region.

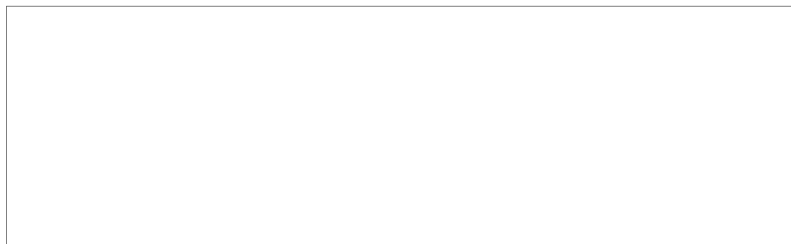
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EGYPT-ISRAEL



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SAUDI ARABIA

King Khalid announced on Monday night, in the first major policy statement of his reign, his intention to "reorganize" the government's relationship to the people by forming a "consultative council."

The statement, broadcast by the Saudi radio, was read by Crown Prince Fahd, who continues to stand as the country's preeminent political leader now that Faysal is gone. The plan was attributed to the late King. Khalid alleged that Faysal would have established such a council had he lived.

In March 1974, Prince Fahd told Ambassador Akins that he was actively pushing within ruling circles for the adoption of several fundamental political changes in the kingdom, including a consultative assembly, the modernization of provincial government, and ultimately, the drafting of a constitution, dismissing the claim that the Koran was the only constitution Saudi Arabia needed. Fahd indicated, during the conversation, that he was opposed to an elective body, but favored an appointive assembly whose powers would be purely advisory. He implied that he would pick modernists and would keep the number of tribal sheikhs and religious leaders in an assembly to a minimum.

King Khalid's recommendation in his statement Monday night for changes in provincial government has also been discussed before. In fact, a thorough revamping of provincial government was drafted in 1963, at the direction of Faysal, who was then crown prince. It was, however, never implemented.

Elsewhere in the statement--which generally stressed continuity with Faysal's policies--Khalid made a point of emphasizing Saudi Arabia's commitment to the liberation of Jerusalem "from the claws of Zionism." By stressing that Jerusalem must be the first step in dealing with the Palestine question--not something to be taken up when everything else is out of the way--the new leaders probably intend to signal their support for a firm Arab position following the end of the step-by-step negotiations. They presumably want to stiffen Egypt's resolve to hold out for an Arab, not just Egyptian, settlement.

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Khalid mentioned in passing that his government would continue to strengthen its armed forces and provide them with the necessary equipment to defend Saudi Arabia and the "Arab nation."

Khalid also called for Islamic solidarity, Arab unity, and the recovery of the occupied territories. With respect to the country's oil reserves, he talked about avoiding confrontation and not letting "selfishness" affect world prosperity; he supported the resolutions of the OPEC summit conference in Algiers.

* * *

The appointment of Prince Saud, the 34-year-old fourth son of the late King, as minister of state for foreign affairs should bring some improvement to the conduct of Saudi Arabian foreign affairs.

Our embassy in Jidda reports that the appointment could be of some benefit to the US, because Saud's "inside" knowledge of national policy should provide us better access to the decision-making processes of the government. The embassy points out, however, that the extent of Saud's authority in foreign affairs will not be clear until Crown Prince Fahd's overall responsibilities become known.

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